

By: Farabee, Jones of Harris

S.J.R. No. 44

SENATE JOINT RESOLUTION

proposing an amendment to Article VIII of the Texas Constitution by adding Section 1-f to grant the legislature the power to authorize cities and towns to issue bonds to finance the redevelopment of certain blighted downtown areas.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Article VIII of the Texas Constitution be amended by adding Section 1-f to read as follows:

"Section 1-f. (a) Notwithstanding the requirements of Section 1 of this article or of Section 14 of Article VIII, the legislature may, subject to the limitations provided herein, authorize cities and towns to issue tax increment bonds, the proceeds of which shall be used to finance the redevelopment of blighted commercial areas, and the payment of which shall be provided from tax increments, as such term is defined by the legislature.

"(b) Neither tax revenues, utility revenues, nor revenues from any services of any city or town or the state shall be used to pay any bonds issued pursuant to the authority conferred under this section, nor shall such bonds give rise to a charge against the general credit or taxing powers of any city or town or the state."

Sec. 2. Legislation passed in anticipation of the adoption of this amendment shall not be invalid solely because of its anticipatory nature.

Sec. 3. The foregoing constitutional amendment shall be

S.J.R. No. 44

1 submitted to a vote of the qualified electors of this state at an
2 election to be held on the first Tuesday after the first Monday in
3 November, 1978, at which election all ballots shall be printed to
4 provide for voting for or against the proposition: "The
5 constitutional amendment to give the legislature the power to
6 authorize cities and towns to issue bonds to finance the
7 redevelopment of blighted commercial areas and prohibiting any city
8 or town from granting its money or lending its credit for such
9 purposes."

By: Farabee, Jones of Harris

S.J.R. No. 44

(In the Senate - Filed February 16, 1977; February 17, 1977, read first time and referred to Committee on Intergovernmental Relations; March 23, 1977, reported favorably, as amended; March 23, 1977, sent to printer.)

COMMITTEE AMENDMENT NO. 1

By: Andujar

Amend Subsection 1(a) of Senate Joint Resolution 44 to read as follows:

Section 1. That Article VIII of the Texas Constitution be amended by adding Section 1-f to read as follows:

"Section 1-f. (a) Notwithstanding the requirements of Section 1 of this Article ~~or of Section 14 of Article VIII~~, the Legislature may, subject to the limitations provided herein, authorize cities and towns to issue tax increment bonds, the proceeds of which shall be used to finance the redevelopment of blighted commercial areas, and the payment of which shall be provided from tax increments, as such term is defined by the Legislature."

COMMITTEE AMENDMENT NO. 2

By: Ogg

Amend Section 3 of Senate Joint Resolution 44 changing the election date in line 48 to read November, 1978.

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Sec. 2. Legislation passed in anticipation of the adoption of this amendment shall not be invalid solely because of its anticipatory nature.

Sec. 3. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November, 1977, at which election all ballots shall be printed to provide for voting for or against the proposition: "The constitutional amendment to give the legislature the power to authorize cities and towns to issue bonds to finance the redevelopment of blighted commercial areas and prohibiting any city or town from granting its money or lending its credit for such purposes."

* * * * *

Austin, Texas
March 23, 1977

Hon. William P. Hobby
President of the Senate

Sir:

We, your Committee on Intergovernmental Relations, to which was referred S.J.R. No. 44, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, as amended, and be printed.

Snelson, Chairman

ANALYSIS

S. J. R. 44

By Farabee and Jones of Harris

General: This resolution would allow the Legislature to authorize cities to issue tax increment bonds to finance the re-development of blighted commercial areas. The bonds will not give rise to a charge against the general credit or taxing powers of any city. The resolution shall be put to a vote in November, 1977.

Section-by-Section:

- Section 1. (a) This section amends Article VIII of the Texas Constitution by adding Section 1-f which allows the Legislature to authorize cities to issue tax increment bonds to finance the redevelopment of blighted commercial areas.
(b) This part will not allow bonds issued pursuant to this section to give rise to a charge against the general credit or taxing powers of any city.
- Section 2. This section will not allow legislation passed in anticipation of the adoption of this amendment to be declared invalid solely because of its anticipatory nature.
- Section 3. This section requires this amendment to be submitted to the public for a vote in November, 1977.

288

By: Arxup

Senate Committee Amendment
To S.J.R. 44

Amendment No. Senate Resolution

Amend Subsection 1(a) of S.J.R. 44 to read as follows:

Section 1. That Article VIII of the Texas Constitution be amended by adding Section 1-f to read as follows:

Section 1-f. (a) Notwithstanding the requirements of Section 1 of this Article, ~~for~~ of Section 14 of Article VIII, the Legislature may, subject to the limitations provided herein, authorize cities and towns to issue tax increment bonds, the proceeds of which shall be used to finance the redevelopment of blighted commercial areas, and the payment of which shall be provided from tax increments, as such term is defined by the Legislature."

ADOPTED

MAR 30 1977

Betty King
Secretary of the Senate

Constitutional
Amendment #2

Amend STR 44

Ogg

Amend Sect 3 of STR 44
changing the election date ~~to~~ in
line 22 to read Nov. 1978

ADOPTED

MAR 30 1977

Henry King
Secretary of the Senate

~~SENATE~~ AMENDMENT NO. 3

BY

Mengden

Amend S.J.R. 44 by inserting the phrase "or the state" after the word "town" in each of the two places that it appears in quoted Section 1-f (b) of Section 1.

ADOPTED

MAR 30 1977

Betty King
Secretary of the Senate

Amend the caption to conform to the
body of the bill.

ADOPTED

MAR 30 1977

Boaty King
Secretary of the Senate

Mar. 30 1977 Engrossed

Latorja Spaw
Engrossing Clerk

By: Farabee, Jones of Harris

S.J.R. No. 44

SENATE JOINT RESOLUTION

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8 or town from granting its money or lending its credit for such
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COMMITTEE REPORT

The Honorable Bill Clayton
Speaker of the House of Representatives

5/4/77
(date)

Sir:

We, your COMMITTEE ON CONSTITUTIONAL AMENDMENTS, to whom was referred S.J.R. 44
have had the same under consideration and beg to report back with the recommendation that it (measure)

- (X) do pass, without amendment.
- () do pass, with amendment(s).
- () do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested on 4/25/77 and is attached as part of this report.
(date)

~~Author's fiscal statement attached.~~

~~The Committee recommends that this measure be placed on the (Local / Consent) Calendar.~~

This measure (X) proposes new law.
() amends existing law.

House Sponsor of Senate Measure BUSH

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Von Dohlen	✓			
Jones	✓			
Bryant	✓			
Clark, B.	✓			
Close	✓			
Hendricks	✓			
Johnson	✓			
Robbins	✓			
Schieffer	✓			

Total: 9 aye
0 nay
0 present, not voting
0 absent

Tom Von Dohlen
CHAIRMAN
Reynolds
COMMITTEE COORDINATOR

10

10/10/10

9/10/10

8/10/10

present, not voting

absent

CHAIRMAN

COMMITTEE COORDINATOR

BILL ANALYSIS

Background Information

Article VIII, Section 1 of the Constitution provides that all taxes shall be equal and uniform and that all property shall be taxed in proportion to its value as determined by law.

S.J.R. 44 is intended to provide cities with a method of re-vitalizing blighted areas. This goal is achieved by designating a blighted area as a tax increment financing (TIF) district. Property values are frozen in TIF districts for the purposes of regular taxation during the district's existence. The city then obtains commitments from property owners to improve their property in accordance with a redevelopment plan.

After the redevelopment plan is adopted, the cities sell TIF bonds to finance general improvements in the TIF district such as streets, lights, etc. The bonds are retired through the use of a fund supported by the tax revenues on the excess of current market value over market value at the time of creation of the TIF district. S.B. 635 by Farabee will implement the provisions of this resolution.

Purpose of the Resolution

To authorize the legislature to allow cities and towns to issue bonds to finance the redevelopment of blighted downtown areas.

Section-by-section Analysis

Section 1. Amends Article VIII of the Constitution by adding a new Section 1 (f) which provides:

- 1) That the legislature may authorize cities and towns to issue tax increment bonds;
- 2) That the proceeds of the bonds will be used to finance the redevelopment of blighted commercial areas;
- 3) That the payment of the bonds shall be provided from tax increments; and
- 4) That no tax, utility, or service revenues of any city or town or the state shall be used to pay bonds issued pursuant to the authority in this Act.

Section 2. Provides that anticipatory legislation is valid.

Section 3. Provides that the amendment be submitted to the voters at the general election in November, 1979.

Summary of Committee Action

Public notice having been posted in compliance with Rule V, Section 14, the Committee considered S.J.R. 44 in public hearing on May 4, 1977. After receiving public testimony, the measure was reported to the House favorably by a vote of nine ayes and no nays.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 25, 1977

Honorable Tim Von Dohlen, Chairman
Committee on Constitutional Amendments
House of Representatives
Austin, Texas

In Re: Senate Joint Resolution No. 44,
as engrossed
By: Farabee, Jones of Harris

Sir:

In response to your request pursuant to House Rule V, Section 28, this office finds the fiscal implications of Senate Joint Resolution No. 44, as engrossed (proposing an amendment to the Texas Constitution to grant the Legislature the power to authorize cities and towns to issue bonds to finance the redevelopment of certain blighted downtown areas) to be as follows:

The resolution, as engrossed, would make no appropriation but would constitute prior legislative authorization for an appropriative request. The cost of publication prior to election is estimated at \$47,500 in fiscal year 1979. No other additional cost to State government attributable to the resolution, as engrossed, should it be enacted, is anticipated.

The fiscal implication to local government of the resolution, as engrossed, if adopted and implemented, would depend on legislation and future decisions by local officials. The use of tax increment financing may permit public improvements which would not otherwise be approved because the improvements would be financed from the immediate area in which they are located instead of from citywide, or townwide, levies. No general increase in taxes, citywide, is anticipated, attributable to the resolution, as engrossed, should it be enacted.


Thomas M. Keel
Director

Source: Secretary of State; LBB Staff

By:

Bush

House Floor Amendment
To S. J. R. 44

Amendment No. 1

Amend S. J. R. 44

by striking all below the resolving clause and insert the following:

Section 1. That Article VIII of the Texas Constitution be amended by adding
Section 1-g to read as follows:

"Section 1-g. (a) Notwithstanding the requirements of Section 1 of this article or of Section 14 of Article VIII, the legislature may, subject to the limitations provided herein, authorize cities and towns to issue tax increment bonds, the proceeds of which shall be used to finance the redevelopment of blighted ~~commercial~~ areas, and the payment of which shall be provided from tax increments, as such term is defined by the legislature.

"(b) Neither tax revenues, utility revenues, nor revenues from any services of any city or town or the state shall be used to pay any bonds issued pursuant to the authority conferred under this section, nor shall such bonds give rise to a charge against the general credit or taxing powers of any city or town or the state."

Sec. 2. Legislation passed in anticipation of the adoption of this amendment shall not be invalid solely because of its anticipatory nature.

Sec. 3. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November, 1978, at which election all ballots shall be printed to provide for voting for or against the proposition: "The constitutional amendment to give the legislature the power to authorize cities and towns to issue bonds to finance the redevelopment of blighted ~~commercial~~ areas and prohibiting any city or town from granting its money or lending its credit for such purposes."

MAY 20 1977

Date _____
Read and Adopted

Betty Nussey

Chief Clerk
House of Representatives

House Am. # 1

5-24-77

By: Bush

House Floor Amendment
To S. J. R. 44

Amendment No. 2

Amend the caption of S. J. R. 44 by striking the Word "downtown." *and*
substituting "1-g" for "1-f"

Date MAY 20 1977
Read and Adopted

Betty Murray

Chief Clerk
House of Representatives

Enrolled

May 24, 1977

Patsy Spawt

Enrolling Clerk

S.J.R. No. 44

SENATE JOINT RESOLUTION

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S.J.R. No. 44

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 44 was adopted by the senate on March 30, 1977, by the following vote: Yeas 26, Nays 2; May 24, 1977, senate concurred in house amendments by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 44 was adopted by the house, with amendments, on May 20, 1977, by the following vote: Yeas 126, Nays 9, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor

SENATE JOINT RESOLUTION

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Chief Clerk of the House

Approved:

Date

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
.....4:30 P.M.....O'CLOCK

Governor

MAY 26 1977

Mark White
.....
Secretary of State

*Filed w/o signature
Effective: to be voted on 11-7-78*

Proposing an amendment to the Constitution granting Legislature power to authorize cities and towns to issue bonds to finance the redevelopment of certain blighted downtown areas.

2-16-77 Filed with the Secretary of the Senate
FEB 17 1977 Read, referred to Committee on INTERGOVERNMENTAL RELATIONS
MAR 23 1977 Reported favorably. as amended
Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.
Ordered not printed.
MAR 30 1977 Senate and Constitutional Rules to permit consideration suspended by unanimous consent
To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.
MAR 30 1977 Read second time amended and { ordered engrossed.
passed to third reading.
MAR 30 1977 Caption ordered amended to conform to body of bill.
MAR 30 1977 Senate and Constitutional 3-Day Rules suspended by vote of 26 yeas, 2 nays to place bill on third reading and final passage.
MAR 30 1977 Read third time and passed by { 26 yeas, 2 nays.

OTHER ACTION:

Betty King
Secretary of the Senate

Mar. 30, 1977 Engrossed
Mar. 31, 1977 Sent to HOUSE

Patsy Spaw
ENGROSSING CLERK

MAR 31 1977 Received from the Senate

Betty Mursey
Chief Clerk, House of Representatives

APR 4 1977 READ FIRST TIME AND REFERRED TO COMMITTEE ON Constitutional Amendments

MAY 4 1977 Favorably Reported unfavorably (Amended), Sent to Printer 5:30 PM

MAY 6 1977 Printed And Distributed 9:06 pm

MAY 9 1977 Sent To Committee On Calendars 9:46 am

MAY 20 1977
DATE _____

READ AND ADOPTED as amended Betty Mursey
CHIEF CLERK
HOUSE OF REPRESENTATIVES

by record vote 126 yeas 9 nays 1 pnv

MAY 20 1977 RETURNED TO SENATE

MAY 20 1977 RETURNED with amendments FROM HOUSE

MAY 24 1977

Senate concurred in House amend-
ments by the following vote: 30
yeas, 0 nays.

1977 MAY -6 PM 9:06
HOUSE OF REPRESENTATIVES

KE